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ACTION AF-18

INFO OCT-01 EUR-20 NEA-13 CIAE-00 DODE-00 PM-05 H-02
INR-07 L-04 NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-20
USIA-12 AID-28 E-15 COM-08 INT-06 TRSY-11 STR-08
RSR-01 /194 W

P R 081514Z MAY 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 6242
INFO AMEMBASSY ALGIERS
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY MOSCOW

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TRIPOLI 0957

C O N F I D E N T I A L TRIPOLI 0957

SUBJ: VISITING OIL DELEGATIONS

1. GROPING BY LARG FOR WAYS TO STRENGTHEN ITS CAPACITY FOR DIRECT INVOLVEMENT IN LIBYAN OIL INDUSTRY HAS GENERATED SPATE OF VISITS BY FOEEIGN OFFICIALS AND TECHNICAL DELEGATIONS. CURRENT DEVELOPMENTS ARE:

A. ARRIVAL MAY 6 OF SIX-MAN RUSSIAN OIL DELEGATION, HEADED BY DEPUTY CHIEF, MIDDLE EAST SECTION OF STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS, TARASOV. DELEGATION IS HERE FOR CONTACTS WITH MINISTRY PETROLEUM AND MINERALS - RATHER THAN WITH NATIONAL OIL COMPANY (LNOC). WE ASSUME PURPOSE IS TO PREPARE FOR SURVEY OF LIBYA'S OIL RESERVES AND FOR GEOLOGICAL MAPING, WHICH LARG RECENTLY ANNOUNCED WOULD BE DONE BY USSR. CONTINUING LIBYAN OIL CONTACTS WITH SOVIETS (TRIPOLI 618) HAVE GROWN OUT OF MARCH VISIT TO MOSCOW BY MINPET (TRIPOLI 530). POL DELEGATION ACCOMPANIED BY THREE-MAN GROUP FROM SOVIET AFRO-ASIAN SOLIDARITY COMMITTEE, HEADED BY QUOTE MR. VATAPIER, MEMBER OF SUPREME SOVIET COUNCIL UNQUOTE, AC-

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CORDING TO LOCAL PRESS. VISITORS MET AT AIRPORT BY RCC MEMBER AWAD HAMZA, U/S FOREIGN MINISTRY, AND MIDDLE RANKING PETROLEUM OFFICIALS.

8. SCHEDULED ARRIVAL MAY 12 OF SONATRACH REPRESENTATIVES FOR MEETING OF LNCO - SONATRACH JOINT COMMITTEE, ANNOUNCED AT CLOSE OF RECENT VISIT TO ALGIERS BY MINPET MABRUUK AND RCC PRESIDENT QADHAAFI (TRIPOLI 783). ACCORDING TO LNOC SOURCE, SONATRACH HAS REQUESTED LNOC TO DESIGNATE IMMEDIATELY ITS REPRESENTATIVES ON FOUR COMMITTEES: 1) LEGAL COMMITTEE TO DRAFT JOINT VENTURE AGREEMENT; 2) TECHNICAL COMMITTEE TO PROPOSE JOINT VENTURE OIL EXPLORATION AREA; 3) TRAINING COMMITTEE TO SCREEN LIBYAN CANDIDATES FOR PETROLEUM TRAINING IN ALGERIA; AND 4) MARKETING STUDY COMMITTEE TO REVIEW LNOC'S MARKETING PROGRAM AS REQUESTED BY LIBYA. DEMANDING TONE OF SONATRACH REQUEST, WHICH EMBOFF ALLOWED TO READ, DISTRESSED LNOC OFFICIALS WHO HAD NOT YET BEGUN PREPARATIONS TO CONCLUDE JOINT VENTURE. AMERICAN LEGAL ADVISOR AT LNOC COMMENTS THAT, DESPITE NEW MANAGEMENT AND NEW LAW FOR NATIONAL OIL COMPANY, LNOC, SO FAR, HAS BEEN NO MORE EFFECTIVE IN TACKLING WORK BEFORE IT THAN WAS FORMER LIPETCO. ALGERIANS MAY BE AWARE OF LNOC'S DEFICIENCIES AND ARE PRODDING FOR ACTION TO ACHIEVE RESULTS LARG CLAIMS IT WANTS.

C. TWO VISITS BY IRAQI VICE PRESIDENT SAALIH 'UMMAASH - FIRST, APRIL 29-MAY 1, DURING WHICH HE MET WITH RCC LEADERSHIP, AND SECOND, ONE DAY STOPOVER MAY 5 ON HIS RETURN FROM ALGIERS EN ROUTE TO CAIRO. DURING STOPOVER, 'UMMAASH QUOTED BY LNA AS SAYING HIS VISITS TO LIBYA CONCERNED PETROLEUM COOPERATION BETWEEN IRAQ, LIBYA AND ALGERIA. WE SPECULATE 'UMMAASH'S REFERENCE WAS TO IRAQI ATTEMPT TO BREATHE LIFE INTO ORGANIZATION OF ARAB NATIONAL OIL COMPANIES DISCUSSED AT BAGHDAD IN JANUARY (SEE CAIRO A-13), SINCE HIS VISIT CLOSELY FOLLOWS APRIL ANNOUNCEMENT OF RATIFICATION BY GOI OF BAGHDAD AGREEMENT. WE NOTE LARG HAS SHOWN NO ENTHUSIASM FOR NATIONAL COMPANY ORGANIZATION.

D. ANNOUNCEMENT OF ANTICIPATED ARRIVAL OF FRENCH OIL EXPERTS TO STUDY ESTABLISHMENT OF PETROLEUM TRAINING INSTITUTE. PETROLEUM INSTITUTE WAS AMONG AREAS OF POSSIBLE LIBYAN-FRENCH COOPERATION EXPLORED DURING FEBRUARY VISIT OF OFFICIAL FRENCH DELEGATION (TRIPOLI 311). WE HAVE BEEN UNABLE TO CONFIRM ARRIVAL OF FRENCH TEAM.

2. LARG OIL OFFICIALS SEEM BEMUSED AND UNPREPARED TO DEAL WITH RESPONSES TO THEIR OVERTURES FOR ASSISTANCE IN DIMINISHING LIBYA'S DEPENDENCE UPON ANGO-AMERICAN DOMINATED OIL INDUSTRY. HEAVILY COM-

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MITTED TO CURRENT NEGOTIATIONS WITH CONCESSIONARY OIL COMPANIES, AND TO THEIR OWN SCHEDULE OF FOREIGN VISITS (PETROLEUM U/S CURRENTLY ON VISIT TO EAST GERMANY AND JAPAN - AND MINPET SCHEDULED TO ATTEND MAY 23 MEETING OF OAPEC IN KUWAIT), LARG OFFICIALS SEEM UNLIKELY TO FOCUS ON THEIR VISITORS' PROBLEMS AND PROPOSALS. RESULT COULD BE LARG COMMITMENT TO SERIES OF ILL-CONSIDERED VENTURES, BUT MORE LIKELY RESULT WILL BE FRUSTRATION OF THOSE ATTEMPTING TO RESPOND TO LIBYAN DECLARATIONS OF INTENT. GP-4.
JOSIF

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